

STATE OF SOUTH CAROLINA)

(Caption of Case))

Rulemaking Regarding Prepaid Telecommunications)
Local Services)

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - 400 - C

(Please type or print)
Submitted by: Patrick W. Turner
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DOCKETING INFORMATION (Check all that apply)

- Emergency Relief demanded in petition
- Request for item to be placed on Commission's Agenda expeditiously
- Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input checked="" type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

Print Form

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December 31, 2007

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Rulemaking Regarding Prepaid Telecommunications Local Services
Docket No. 2007-400-C

Dear Mr. Terreni:

Enclosed for filing are an original and one (1) copy of AT&T South Carolina's Initial Comments in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of these Comments as indicated on the attached Certificate of Service.

Sincerely,

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
DM5 #700081

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

IN RE:)
)
Rulemaking Regarding Prepaid)
Telecommunications Local Services) Docket No. 2007-400-C
)
_____)

AT&T SOUTH CAROLINA’S INITIAL COMMENTS

On behalf of itself and affiliated entities, BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina (“AT&T South Carolina”) respectfully submits these initial comments¹ regarding the Commission’s interest in determining “whether regulations should require bonding or other security from prepaid local exchange telephone service carriers to protect consumers of prepaid local exchange service and, if so, how such requirement should be implemented.”²

As an initial matter, AT&T notes that any bonding or other security requirements the Commission might adopt in this proceeding would apply only to regulated services

¹ These initial comments present matters that AT&T South Carolina believes the Commission should consider as it explores the issues addressed by this proceeding. AT&T South Carolina, of course, reserves the right to submit further comments as it considers the submissions of other parties and any draft rules the Commission may develop in the course of this proceeding. Additionally, in recent rulemaking proceedings involving the Commission’s procedural and telephone regulations, the Commission’s Staff held workshops with the parties after the submission of initial comments. These workshops led to consensus ORS and industry recommendations on many issues, and they helped define and narrow the scope of the few issues that were subject to disagreement. AT&T South Carolina, therefore, respectfully suggests that the Commission consider having its Staff conduct similar workshops at an appropriate time in this proceeding.

² See Notice of Drafting filed with the South Carolina Legislative Council on November 9, 2007.

offered on a prepaid basis by telephone utilities. However, many companies that are not telephone utilities offer unregulated communications services (including wireless services) on a prepaid basis. Imposing bonding or other security requirements on regulated services offered on a prepaid basis by telephone utilities would place those utilities at a competitive disadvantage vis-à-vis other providers of prepaid communications services (such as wireless companies) that are not subject to such requirements. AT&T, therefore, submits that the Commission should not adopt such requirements.

If the Commission disagrees and decides to adopt such requirements, however, AT&T South Carolina respectfully submits that telephone utilities with a threshold number of employees or a threshold level of facilities investment in South Carolina should be exempt from those requirements. Bonding or other security requirements are intended to address concerns that arise when a prepaid service provider abandons service in a manner that leaves its end user customers without service and/or without being reimbursed for services they purchased but did not receive. AT&T South Carolina respectfully submits that on the few occasions when these concerns have arisen in South Carolina, the prepaid service provider involved had few, if any, employees or facilities in the State and, therefore, it was difficult to obtain financial recourse against the provider.

Those concerns, however, do not exist with facilities-based companies like AT&T South Carolina, which have consistently maintained a significant number of employees in South Carolina and have consistently invested millions of dollars in facilities in the State. It is highly unlikely that such companies would abandon service in a manner that leaves end users with little or no financial recourse. Accordingly, because the consumer

protection concerns that bonding and other security requirements are designed to address do not arise with regard to such companies, AT&T respectfully submits that telephone utilities with a threshold number of employees or a threshold level of facilities in South Carolina should be exempt from any requirements the Commission may adopt in this proceeding.

Respectfully submitted on this 31st day of December, 2007.

By: 
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ATTORNEY FOR AT&T

698690

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Initial Comments in Docket No. 2007-400-C to be served upon the following on December 31, 2007.

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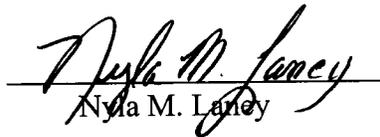
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